

ARTICLE APPEARED
ON PAGE 32

TIME
2 August 1982

Bad Days at Cheltenham

The old boys wrestle with another spy scandal

The headquarters of Britain's electronic intelligence empire is a sprawling compound at Cheltenham, 95 miles northwest of London and nestled among the scenic hills of Gloucestershire. Known in the trade as GCHQ (for Government Communications Headquarters), the facility receives and analyzes data from a worldwide system of spy bases, ships, planes and satellites. It operates round the clock and employs some 10,000 staffers round the globe. Cheltenham is a vital part of the West's constant effort to break the Soviet Union's military and diplomatic codes. Now there is a distinct possibility that GCHQ may have unwittingly been providing information to the Soviets, a disaster that, if true, could nullify many of Britain's code-breaking efforts and jeopardize its intelligence links to the U.S.

This newest in a long string of British spy scandals came to light with the announcement that Geoffrey Arthur Prime, 44, a former employee of GCHQ, had been arrested and charged with violating Section 1 of Britain's Official Secrets Act. Officials would give no details of the accusations against Prime, but that section of the act deals with, among other things, the passing on of secret codes or documents to a potential enemy. A Russian-language specialist, Prime had worked at GCHQ from 1968 to 1977. He then left voluntarily and subsequently held jobs as a taxi driver and a wine salesman in the town of Cheltenham. At the time of his charging a fortnight ago, he was unemployed. His trial is scheduled to begin in November.

Britain would not be the only country

affected by a breach of GCHQ security. The Cheltenham facility is part of a four-nation intelligence net that also includes the U.S., Canada and Australia. GCHQ shares its cryptographic expertise with Washington's top-secret National Security Agency (NSA), an organization that gathers intelligence based on electronic eavesdropping. In return, the NSA passes on some of its intelligence and provides technical assistance. Moreover, the U.S. maintains spy bases in Britain whose data are processed at GCHQ, and Cray I, the complicated computer that does most of Cheltenham's decoding, is American-made.

U.S. officials said last week that it was too soon to tell whether, or to what extent, Western intelligence had been compromised. It was clear, however, that Washington's patience was wearing thin. British spy scandals have been a Western burden since the days of Kim Philby and his fellow double agents, Donald Maclean and Guy Burgess, all Cambridge graduates and members of the old-boy network, who were unmasked as Soviet agents. U.S. spymasters say that they have tried ever since to persuade their British counterparts to tighten security, but with only limited success. "The British are very good at gathering and analyzing information," says one intelligence expert. But, he notes, "they



Geoffrey Arthur Prime

do not keep their eye on their people."

Concerned Britons agree. Declares Alex Lawrie, 59, a Gloucestershire county councilor who worked at GCHQ as an African-language specialist until his retirement last May: "In the 22 years I was there, I was never searched. Employees could go in and out carrying parcels, shopping bags and rucksacks, which were not examined." There were several reports that packets forwarded to GCHQ through a supposedly secure British Rail delivery system were picked up at the Cheltenham station by local taxi drivers.

The revelations caused an uproar in Parliament and another unwelcome embarrassment for Prime Minister Margaret Thatcher. Initially at least, she deflected criticism by taking refuge behind the law. "Any charge under the Official Secrets Act must give rise to concern," she told the Commons last week. "The House will understand, however, that until trial proceedings are completed I cannot make any statement on this or related matters." In defending procedures at Cheltenham, she cited the findings of a security-commission study, completed last May, that gave the facility passing grades. But the same commission expressed disquiet over the growing use of computers and other electronic equipment for storage of classified information, and will now begin an urgent examination of that practice. Most analysts agreed that the full extent of any damage done at Cheltenham might take years to assess. ■